

1999 DRAFTING REQUEST

Bill

Received: **12/16/98**

Received By: **mlief**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-1923**

By/Representing: **Pahnke**

This file may be shown to any legislator: **NO**

Drafter: **mlief**

May Contact:

Alt. Drafters: **grantpr**

Subject: **Education - school finance**

Extra Copies: **PG**

Topic:

DOA:.....Pahnke - Secondary guaranteed valuation, special adjustment aids and school district revenue limits

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mlief 12/30/98	jgeller 12/30/98	hhagen 12/30/98	_____	lrb_docadmin 12/30/98		S&L
/2	mlief 01/5/99	jgeller 01/7/99	jfrantze 01/7/99	_____	lrb_docadmin 01/7/99		S&L
/3	mlief 01/13/99	jgeller 01/13/99	ismith 01/13/99	_____	lrb_docadmin 01/13/99		S&L
/4	grantpr 01/25/99	jgeller 01/25/99	hhagen 01/25/99	_____	lrb_docadmin 01/25/99		S&L

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/3	mlief 01/13/99	jgeller 01/13/99	ismith 01/13/99	_____	lrb_docadmin 01/13/99		S&L

Handwritten notes: 1/15 01/15

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FE Sent For:

13 1/13 jlg *zs 1/13/99* *zs/LP 1/13/99*

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FE Sent For:

12/17 jlg *12/17* *12/17*

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Extra Copies: ~~EC~~

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1?	mlief	1/13/30 jlg	1/12/30	cmh 12/30			S&L

FE Sent For:

<END>

Sec #4

Date: December 11, 1998
To: Steve Miller, Legislative Reference Bureau
Peter Grant, Legislative Reference Bureau
Lonnie Lief, Legislative Reference Bureau
From: Brian Pahnke, Executive Policy and Budget Analyst
Subject: Drafting Instructions for the 1999-01 Biennial Budget

Please draft the following items for possible inclusion in the Governor's 1999-01 biennial budget bill:

1. Beginning in the 1999-00 school year and any year thereafter, repeal the inflationary increase to the allowable increase per pupil and set that amount at 208.88.
2. Effective, beginning in the 1999-00 school year eliminate pupils participating in Milwaukee Parental Choice Program (MPCP) and charter schools operating in Milwaukee under s.118.40 (2r) from MPS membership for both equalization aid and revenue limit purposes.
 - Repeal following statutory language under s.121.91 (2m)(d)(1) and s.121.91 (2m)(d)(4) "...subtracting from that total the number of pupils attending charter schools under s. 118.40 (2r) and private schools under s. 119.23 in the 4th, 3rd, and 2nd preceding school years and dividing the remainder by 3."
 - Repeal language under s. 121.07 (1)(a) that permits MPS to count Kindergarten to 3rd grade pupils on a current year basis for computing equalization aid.
 - Repeal s.119.23 (5)(a)
 - Repeal s. 119.23 (5)(b)
 - Repeal s.121.05(1)(a) 4
 - Repeal s. 118.40 (2r)(f)
 - Repeal s. 118.40 (2r)(g)
 - Amend s.121.05 (1)(a) 9 to exclude pupils under s.118.40 (2r) from being included in MPS' membership.
 - Retain a "lapse" provision within s.20.255 (2)(ac) so that whatever payments made for the MPCP and Milwaukee Charter Schools are lapsed from s.20.255(2)(ac) and paid out under s.20.255 (2)(fu) and s.20.255(2)(fm) respectively.

- Provide that MPS may not count pupils enrolled in the MPCP or Milwaukee Charter Schools in 1998-99 in their membership in the calculation of state aids paid out under the equalization aid formula in 1999-00.
3. Permit districts participating in the inter-district Chapter 220 program to only count those pupils as .50 FTE (as opposed to 1.0 FTE currently) for both equalization aid purposes [s.121.85 (6)(b)] and revenue limit purposes [insert under s.121.90 (1)].
 4. Please draft "technical" corrections to current school aid and revenue limit statutes to clarify administrative practice (see attached document from DPI).
 5. Please draft a technical correction to s.121.02 (1)(s) to clarify that the high school graduation test shall begin to be administered in 2000-01, not 1999-00 as indicated in the statutes (see s.118.30 (1m)(d)). Also see top of P.884 of Legislative Fiscal Bureau summary of 1997-99 Wisconsin State Budget for clarification.

Thank you for your cooperation regarding this request. Please contact me at 6-1923 if you have any questions.

One draft from DPI (via Brian)

Secondary Guaranteed Valuation Per Member [s. 121.07(b)]

Section 121.07(b) could be modified to reflect how DPI currently computes the secondary guarantee. These technical modifications would reflect how the secondary guarantee is, and was intended to be, computed. The following modifications could be offered:

TC w/ Bob Soldner
12/16 - cant
administer as
writer because
one needs to
know eq and
under s. 121.07
to determine
121.05 +
121.86
aid - Technical change

121.07(7)(b) The "secondary guaranteed valuation per member" is an amount, rounded to the next lower dollar, that, after subtraction of payments under ss. 121.09, and 121.105/delete, 121.85 (6) (b) 2. and 3. and (c), and 121.86/delete fully distributes an amount equal to the amount remaining in the appropriation under s. 20.255 (2) (ac) plus \$75,000,000 in the 1997-98 school year and \$100,000,000 in the 1998-99 school year for payments under ss. 121.08, 121.105, and/delete 121.85(6)(a) and (g) and 121.86.

Special Adjustment Aids (s. 121.105)

During deliberations over the 1993-95 biennial budget (1993 Act 16), the Legislature intended to guarantee that a school district's general school aid payment would be no less than a specific percentage of its prior year's level or the prior year payment minus \$1,000,000, whichever results in the greater aid payment. However, as drafted, the enrolled bill (1993 Senate Bill 44) would have provided that if a district is eligible for special adjustment aid under both hold harmless levels, it would receive the smaller, rather than the greater, aid payment. As a result of the Governor's partial veto of these provisions, if a school district which would qualify for aid under both hold harmless levels, it is only eligible for the hold harmless based on the percentage of its prior year amount. Currently, the percentage is 85% of the prior year amount.

85%
or
1m,
whichever
is
greater
but
stats
say

The Department has been administering the special adjustment aids provisions as intended by the Legislature and Governor. The provisions should be modified to reflect the original intent of the Legislature and Governor. The following modifications could be offered:

s. 121.105(2) (a)1. If a school district would receive less in state aid in the current school year ~~(than) an amount equal to~~ 85% of the state aid for the current school year ~~than/delete~~ that it received as state aid/delete in the previous school year, its state aid for the current school year shall be increased to an amount equal to 85% of the state aid received in the previous school year.

s. 121.105(2)(a)3. A school district eligible for aid under subd. 1. and 2. shall receive the greater of the aid amount determined under subd. 1. or 2. The additional aid shall be paid from the appropriations under s. 20.255 (2) (ac) and (q).

Intradistrict Transfer Aid [s. 121.85(6)(f)]

Also → 121.90(1) ⁴
strike except
Der TC w/ P6, 12/16 approved by Brian

State aid is based on 25% of a school district's equalization aid per member multiplied by the number of eligible transfer pupils. The same formula is used to compute state aid for desegregation plans using merged attendance areas. Prior to 1996-97, the state aid was based on 32.5%, instead of the current 25%.

Under 1995 Act 27 (the 1995-97 biennial budget act), the Legislature and Governor reduced the percentage from 32.5% to 25%. The Legislative Fiscal Bureau summary of 1995 Act 27 provisions made no reference to changing the 32.5% for the merged attendance area payment or the exception for children with disabilities under s. 121.85(6)(f). However, the legislation did include the change for the intradistrict aid and merged attendance area payments and maintained the 32.5% under s. 121.85(6)(f). It is reasonable to conclude that the exception for children with disabilities under the intradistrict aid payment language was intended to be reduced to 25%, but was inadvertently omitted.

The Department recommends that the language be modified in order to be consistent with the actions of the Legislature and Governor when the percentage was reduced from 32.5% to 25%. The following change could be made:

*TCW/Brian
12/17 -
do not
include*

121.85(6)(f) Exception. A pupil enrolled in a kindergarten program or in a preschool program under subch. V of ch. 115 shall be multiplied under par. (a) 2. by a number equal to the result obtained by multiplying 0.25 ~~0.325/delete~~ by the appropriate fraction under s. 121.004 (7) (c), (cm) or (d), and shall be counted under par. (b) 1. as a number equal to the result obtained by multiplying 1.0 by the appropriate fraction under s. 121.004 (7) (c), (cm) or (d).

*Note -
Repealed
127711*

School District Revenue Limits -- Low Revenue School Districts [s. 121.905]

Beginning in 1998-99, school districts with a revenue ceiling of \$6,100 are treated separately under school district revenue limits. The statutes are not clear on how these school districts are affected by the revenue limit calculations. In order to be consistent in applying these limits on a statewide basis, the Department has applied the eligible exemptions under ss. 121.91(4) and (6). In addition, the Department has applied the penalty provision under s. 121.92 (1) to these low revenue school districts. A modification to the definition of state aids could be included to provide a cross-reference between the requirements of the DPI under the two-thirds statute [s. 121.15(4)] and the amount of state aid received by school districts. Other technical modifications could also be included.

The following modifications could be included to clarify the statutes:

121.905(2) The revenue limit calculation under s. 121.91(2m) does not apply to any school district in any school year in which its base revenue per member, as calculated under sub. (3), is less than its revenue ceiling.

*A;
121.92
to
include
121.905*

*→ A. title →
Penalty for
exceeding rev limit
or ceiling*

adjustment and due to change in assessment

121.905(3)(a) 1. Except as provided under subd. 2., calculate the sum of the amount of aid received under ss. 121.08, 121.09 and 121.105 and subch. VI, including any adjustments required under s. 121.15(4), in the previous school year and property taxes levied for the previous school year, excluding funds described under s. 121.91 (4) (c), and the costs of the county children with disabilities education board program, as defined in s. 121.135 (2) (a) 2., for pupils who were school district residents and solely enrolled in a special education program provided by a county children with disabilities education board in the previous school year.

one of the following is true.

121.905(4) A school district that is exempt from the revenue limits under sub. (2) may not increase its base revenue per member to an amount that is greater than its revenue ceiling unless that school district follows the procedures prescribed in ss. 121.91 (3), (4), and (6).

per TC w/ Brian

17

In addition to the aforementioned sections, s. 121.91 could be modified to include a reference to the limit under s. 121.905 when the limit under s. 121.91(2m) is referenced. This would require several statutory changes throughout s. 121.91.

School District Revenue Limits -- 75% Carryover [s. 121.91(4)(d)]

The Department has interpreted this provision to include the adjustments allowed under ss. 121.91(3) and (4) that are recurring in nature. Nonrecurring adjustments are not included. Modifications could be made to this provision to clarify current practice. In addition, s. 121.905 could be referenced to clarify this provision applies to the low revenue school districts.

TC w/ Brian
12/18
DPI includes transfers of service in base before it calculates the carryover.
Conform law to DPI practice

Lief, Madelon

From: Pahnke, Brian [brian.pahnke@doa.state.wi.us]
Sent: Wednesday, December 23, 1998 1:14 PM
To: Lief, Madelon
Subject: Revenue Limit Clarification Language

Per your request, I will attempt to articulate how the DPI has interpreted the revenue limit language under ss.121.905 and 121.91 for "low revenue" districts. In addition, I will also attempt to clarify issues related to the 75% carryover statute (s.121.91(4)(d)).

(1) Low Revenue Districts--In short, DPI has treated ALL school districts in the same manner, regardless of whether or not a district is a "low revenue" district under s.121.905 (1) and (2). This is so because if it were not the case then none of the provisions under s. 121.91 or 121.92 would apply to these districts, which would seem to make little sense. Thus, DPI calculates a maximum revenue limit figure for "low revenue" districts (as they do for all other districts) based upon whatever the maximum revenue per pupil figure is that year (\$6,100 in 1998-99) and applies the same adjustments (positive or negative) found throughout s.121.91 and s.121.92 to these districts (transfer of service, referenda to increase the revenue limit, 75% carryover, declining enrollment and penalties to name a few) just as they do for all other districts.

Therefore, the DPI's suggested statutory changes in its memo authored by Bob Soldner and Susan Ballard seem reasonable to me (I also recognize that you may also have some additional thoughts/modifications on this issue).

(2) 75% Carryover--Somewhat similarly, the DPI has interpreted s.121.91(4)(d) to include all recurring adjustments made under ss. 121.91(3) and (4) to a district's revenue limit that is calculated under s.121.91(2m). Thus, adjustments to the calculated revenue limit under s.121.91(2m) have an affect on the "maximum" revenue limit amount used by the DPI to determine how much "carryover" authority a district should be authorized to use.

Example as to how DPI has interpreted this statute (correctly, I believe):

1. District A has 100 pupils with a calculated revenue per pupil is \$1,000.
2. Thus, District A has a calculated revenue limit (under s. 121.91 (2m)) of \$100,000 (100 x \$1,000)
3. District A receives an increase to its revenue limit of \$10,000 for a transfer of service from another local unit of government.
4. Thus, District A's "new" revenue limit after this adjustment is \$110,000 (\$100,000 + \$10,000)
5. Assume District A "uses" \$105,000 of its available revenue limit authority.
6. District A may "carryover" \$3,750 into the next year (\$110,000-\$105,000=\$5,000 x 75%=\$3,750)

If one reads the s.121.91(4)(d) literally, it only would apply to the "limit" calculated under s.121.91 (2m) and in the example above District A would not only not receive any carryover authority, it would receive a penalty under s.121.92 for exceeding its revenue limit authority as it would be "using" \$105,000 of revenue limit authority when under (2m) it would only have a calculated rev revenue limit authority of \$100,000.

Thus, it seems that DPI's interpretation should be reflected in s.121.91 (4)(d) so that it provides that carryover authority should apply to a district's limit as calculated under s.121.91(2m) and recurring adjustments made under (3) and (4).

Please call me if you have any questions.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1309/1
MJL & PG:.....

JLg

DOA:.....Pahnke – Secondary guaranteed valuation, special adjustment aids
and school district revenue limits

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

SOON

To deleting 12/30/98

do not gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION ✓

PRIMARY AND SECONDARY EDUCATION ✓

Current law provides special state aid adjustments for certain school districts that would receive less aid in the current school year than they received in the previous school year. More specifically, if a school district would receive less than 85% of the state aid for the current school year than it received as state aid in the previous school year, its state aid for the current school year is increased to an amount equal to 85% of the state aid received in the previous school year. If a school district would receive less in state aid in the current school year than an amount equal to the aid that it received in the previous school year minus \$1,000,000, its state aid for the current school year is increased to an amount equal to the state aid that it received in the previous school year minus \$1,000,000. If a school district is eligible for both of these special state aid adjustments, the school district's state aid is increased to an amount equal to 85% of the state aid that the school district received in the previous school year. A school district is entitled to receive a special state aid adjustment only if the additional aid does not result in a state aid payment greater than the school district's shared cost (the portion of a school district's costs that are aided by the state).

This bill provides that if a school district is eligible for both special state aid adjustments, the school district receives the greater adjustment, if the additional aid does not result in a state aid payment greater than the school district's shared cost.

Current law generally limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes. The department of public instruction (DPI) may adjust a school district's revenue limit upwards or downwards for a number of contingencies, including transfers of service responsibilities between a school district and another governmental unit and changes in a school district's boundaries. In addition, a school district may exceed its revenue limit if the electors of the school district vote to do so at a special referendum. If the excess revenue approved by the electors is for a recurring purpose, DPI includes the excess revenue in the base for determining the school district's allowable revenue for the next school year. If the excess revenue approved by the electors is for a nonrecurring purpose, DPI does not include the excess revenue in the base. Any school district with a base revenue per pupil for the previous school year that was less than a revenue ceiling of \$6,100 (low-revenue district) may increase its revenues up to the revenue ceiling. A low-revenue district is not subject to a revenue limit and its concomitant adjustments.

This bill directs DPI to add excess revenue allowed as an adjustment for a school district's revenue limit to the base for determining the school district's allowable revenue for the next school year if the excess revenue is for a recurring purpose. The bill also directs DPI to adjust the revenue ceiling of a low-revenue school district as if the revenue ceiling constituted a revenue limit.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 SECTION 1. 121.07 (7) (b) ^X of the statutes is amended to read:
- 2 121.07 (7) (b) The "secondary guaranteed valuation per member" is an amount,
- 3 rounded to the next lower dollar, that, after subtraction of payments under ss.
- 4 121.09, ~~121.105~~, and 121.85 (6) (b) 2. and 3. and (c) ~~and 121.86~~, fully distributes an
- 5 amount equal to the amount remaining in the appropriation under s. 20.255 (2) (ac)
- 6 plus \$75,000,000 in the 1997-98 school year and \$100,000,000 in the 1998-99 school
- 7 year for payments under ss. 121.08 and ^A~~121.105~~, 121.85 (6) (a) and (g) and 121.86.

History: 1971 c. 125; 1973 c. 61, 90, 190, 333; 1975 c. 39; 1977 c. 29, 178, 418; 1979 c. 34, 221; 1981 c. 20, 317, 385; 1983 a. 27, 212; 1985 a. 29; 1987 a. 27; 1989 a. 31, 114, 309, 336, 359; 1991 a. 39, 269, 315; 1993 a. 16, 437; 1995 a. 27 ss. 4046m to 4064, 9145 (1); 1997 a. 27, 113, 286.

- 8 SECTION 2. 121.105 (2) (a) 3. ^X of the statutes is amended to read:

1 121.105 (2) (a) 3. A school district eligible for aid under subd. 1. and 2. shall
2 receive the greater of the aid amounts under subd. 1. or 2. The additional aid shall
3 be paid from the appropriations under s. 20.255 (2) (ac) and (q).

4 **History:** 1985 a. 29, 251; 1987 a. 27; 1989 a. 31, 114, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1997 a. 27, 113.

4 **SECTION 3.** 121.905 (3) (a) 1. of the statutes is amended to read:

5 121.905 (3) (a) 1. Except as provided under subd. 2., calculate the sum of the
6 amount of aid received under ss. 121.08, 121.09 and 121.105 and subch. VI ~~in the~~ ^{as}
7 calculated in the previous school year on October 15 under s. 121.15 (4), and property
8 taxes levied for the previous school year, excluding funds described under s. 121.91
9 (4) (c), and the costs of the county children with disabilities education board program,
10 as defined in s. 121.135 (2) (a) 2., for pupils who were school district residents and
11 solely enrolled in a special education program provided by a county children with
12 disabilities education board in the previous school year.

~~NOTE: NOTE: Subd. 1. is shown as affected by three acts of the 1997 legislature and as merged by the revisor under s. 13.93 (2) (c). NOTE:~~

13 **History:** 1995 a. 27; 1997 a. 27, 113, 164, 286; s. 13.93 (2) (c).

13 **SECTION 4.** 121.905 (4) of the statutes is renumbered 121.905 (4) (a) and
14 amended to read:

15 121.905 (4) (a) A school district that is exempt from the revenue limits under
16 sub. (2) may not increase its base revenue per member to an amount that is greater
17 than its revenue ceiling ~~unless that~~.

18 (b) 1. A school district follows may increase its revenue ceiling by following the
19 procedures prescribed in s. 121.91 (3).

20 **History:** 1995 a. 27; 1997 a. 27, 113, 164, 286; s. 13.93 (2) (c).

20 **SECTION 5.** 121.905 (4) (b) 2. of the statutes is created to read:

21 121.905 (4) (b) 2. The department shall adjust the revenue ceiling otherwise
22 applicable to a school district under this section as if the revenue ceiling constituted
23 a revenue limit under s. 121.91 ^{(2m)(d)} ~~(2)(d)~~.

1 SECTION 6. 121.91 (3) (d) of the statutes is renumbered 121.91 (7) and amended
2 to read:

3 121.91 (7) If an excess revenue is approved or allowed under this subsection
4 section for a recurring purpose, the excess revenue shall be included in the base for
5 determining the limit for the next school year for purposes of this section. If an excess
6 revenue is approved or allowed under this subsection section for a nonrecurring
7 purpose, the excess revenue shall not be included in the base for determining the
8 limit for the next school year for purposes of this section.

9 History: 1993 a. 16; 1995 a. 27 ss. 4108m to 414, 9145 (1); 1997 a. 27, 113, 164, 237, 286; s. 13.93 (2) (c).

9 **SECTION 9339. Initial applicability; public instruction.**

10 (1) DISTRIBUTION OF SCHOOL AID AND REVENUE LIMITS. The treatment of sections
11 121.07 (7) (b), 121.105 (2) (a) 3., 121.905 (3) (a) 1. and 121.91 (3) (d) of the statutes,
12 the renumbering and amendment of ~~§~~ ^{section} 121.905 (4) of the statutes and the creation
13 of ~~§~~ ^{section} 121.905 (4) (b) 2. of the statutes first apply to the distribution of school aid and
14 to the revenue limits for the 1999–2000 school year.

0

(end)
component



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1309A
MJL&PG;jlg:hmh

2

2

DOA:.....Pahnke - Secondary guaranteed valuation, special adjustment aids
and school district revenue limits

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

Redraft
make new
SOON

Toeddy: 1/5/99

do not gen

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PRIMARY AND SECONDARY EDUCATION

Current law provides special state aid adjustments for certain school districts that would receive less aid in the current school year than they received in the previous school year. More specifically, if a school district would receive less than 85% of the state aid for the current school year than it received as state aid in the previous school year, its state aid for the current school year is increased to an amount equal to 85% of the state aid received in the previous school year. If a school district would receive less in state aid in the current school year than an amount equal to the aid that it received in the previous school year minus \$1,000,000, its state aid for the current school year is increased to an amount equal to the state aid that it received in the previous school year minus \$1,000,000. If a school district is eligible for both of these special state aid adjustments, the school district's state aid is increased to an amount equal to 85% of the state aid that the school district received in the previous school year. A school district is entitled to receive a special state aid adjustment only if the additional aid does not result in a state aid payment greater than the school district's shared cost (the portion of a school district's costs that are aided by the state).

This bill provides that if a school district is eligible for both special state aid adjustments, the school district receives the greater adjustment, if the additional aid does not result in a state aid payment greater than the school district's shared cost.

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5 amount equal to the amount remaining in the appropriation under s. 20.255 (2) (ac)
6 plus \$75,000,000 in the 1997-98 school year and \$100,000,000 in the 1998-99 school
7 year for payments under ss. 121.08 ~~and~~, 121.105, 121.85 (6) (a) and (g) ~~and~~ 121.86.

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7 ~~as calculated in the~~ previous school year ^{including any adjustments made} ~~on October 15~~ under s. 121.15 (4), and ^{STET}
8 property taxes levied for the previous school year, excluding funds described under
9 s. 121.91 (4) (c), and the costs of the county children with disabilities education board
10 program, as defined in s. 121.135 (2) (a) 2., for pupils who were school district
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15 121.905 (4) (a) A school district that is exempt from the revenue limits under
16 sub. (2) may not increase its base revenue per member to an amount that is greater
17 than its revenue ceiling ~~unless that~~.

18 (b) 1. A school district follows may increase its revenue ceiling by following the
19 procedures prescribed in s. 121.91 (3). , under s. 121.91 (4) ✓

20 **SECTION 5.** 121.905 (4) (b) 2. of the statutes is created to read:

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22 applicable to a school district under this section as if the revenue ceiling constituted
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24 **SECTION 6.** 121.91 (3) (d) of the statutes is renumbered 121.91 (7) and amended
25 to read:

**NOTE: The cross-reference to s. 121.91 (2m) (d) should be changed to s. 121.91 (2m) (e) or (f) as a result of LRB-1242.*

under sub. (3) ✓

1 121.91 (7) If an excess revenue is approved ~~or allowed~~ ^{*under sub. (3) ✓*} under ~~this subsection~~
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 3 determining the limit for the next school year for purposes of this section. If an excess
 4 revenue is approved ^{*under sub. (3)*} ~~or allowed~~ under ~~this subsection~~ ~~section~~ ^{*sub. (4) ✓*} for a nonrecurring
 5 purpose, the excess revenue shall not be included in the base for determining the
 6 limit for the next school year for purposes of this section.

*Insert
4-b →*

SECTION 9339. Initial applicability; public instruction.

8 (1) DISTRIBUTION OF SCHOOL AID AND REVENUE LIMITS. The treatment of sections
 9 121.07 (7) (b), 121.105 (2) (a) 3., 121.905 (3) (a) 1. ~~and~~ 121.91 (3) (d), of the statutes,
 10 the renumbering and amendment of section 121.905 (4) of the statutes and the
 11 creation of section 121.905 (4) (b) 2. of the statutes first apply to the distribution of
 12 school aid and to the revenue limits for the 1999-2000 school year.

(END)

*and 121.92 (title) ✓, (1) ✓ and
(2) (a) ✓, (b) ✓ and (c) ✓*

Insert Analysis

applicable to the district in the subsequent school year is increased by an amount equal to 75% of the difference between the district's actual revenues and the maximum amount allowed.

Federal Impact Aid. If a school district received less federal impact aid than it received in the previous school year, the revenue limit otherwise applicable to the district in the subsequent school year would be increased by an amount equal to the reduction in such aid. This adjustment first applied to revenue limits computed for the 1995-96 school year based on changes in federal impact aid payments between 1993-94 and 1994-95.

Override by Referendum

A school district can exceed the revenue limit by receiving voter approval at a referendum. The school board must approve a resolution supporting inclusion in the school district budget an amount which exceeds the revenue limit. The resolution must specify whether the proposed excess revenue is for a recurring or nonrecurring purpose, or both.

The school board can either call a special referendum or hold the referendum at the regular primary or general election dates. The vote may not be held earlier than 35 days after adoption of the board's resolution. If the resolution is approved by a majority of those voting on the question, the school board can exceed the limit by the amount approved. Only excess revenues approved for a recurring purpose can be included in a district's base for determining the revenue limit for the next school year.

Under current law, it

Penalties for Exceeding the Limit

the penalty

school

Insert Analysis

If a school district exceeds its ~~maximum allowable~~ ^{school} revenue ^{limit} without referendum approval, DPI must reduce the district's state equalization aid payment by the excess revenue amount. ~~The~~ ^{DPI} ~~penalty is imposed~~ in the same school year in which the district raised the excess revenue. The withheld aid amount lapses to the state's general fund. ~~In cases where~~ ^{if} a school district's equalization aid is less than the penalty amount, DPI must reduce the district's other state aid payments until the remaining excess revenue is covered. If the aid reduction is still insufficient to cover the excess revenues, the school board ~~would be ordered by the State Superintendent to~~ reduce the property tax levy by an amount equal to the remainder of the excess amount or refund the amount with interest, if taxes have already been collected. If the board violates the order, any resident of the district ~~could seek injunctive relief~~ ^{can seek an} on ~~The excess revenue is not included in~~ ^{determining the district's limits for subsequent years}.

more

Prepared by: Dave Loppnow and Bob Soldner

DPI must order

school

15
the school district's base

DPI does not include the

This bill imposes these same penalties on ~~low-revenue~~ ^{school} districts ^{that exceed their revenue ceilings.}

Insert 4-6

Section #. 121.92 (title) of the statutes is amended to read:

③ ceiling or ✓

121.92 (title) Penalty for exceeding revenue limit.

History: 1993 a. 16; 1995 a. 27 s. 9145 (1); 1997 a. 27.



Section #. 121.92 (1) of the statutes is amended to read:

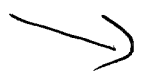
121.92 (1) In this section, "excess revenue" means the amount by which a school district's revenue exceeds ~~the maximum allowed~~ ^{strike} its ceiling under s. 121.905 or its limit under s. 121.91.

History: 1993 a. 16; 1995 a. 27 s. 9145 (1); 1997 a. 27.

Section #. 121.92 (2) (a) ^X of the statutes is amended to read:

121.92 (2) (a) Deduct from the state aid payment to a school district under s. 121.08 in the school year in which the school district exceeded the revenue ^{ceiling} ~~limit~~ an amount equal to the excess revenue for the school district or the amount of those aids, whichever is less.

History: 1993 a. 16; 1995 a. 27 s. 9145 (1); 1997 a. 27.



Section #. 121.92 (2) (b)^X of the statutes is amended to read:

121.92 (2) (b) If the amount of the deduction under par. (a) is insufficient to cover the excess revenue, deduct from the other state aid payments to the school district in the school year in which the school district exceeded the revenue ^{ceiling or} limit an amount equal to the remaining excess revenue or the amount of those payments, whichever is less.

History: 1993 a. 16; 1995 a. 27 s. 9145 (1); 1997 a. 27.



Section #. 121.92 (2) (e) ^X of the statutes is amended to read:

121.92 (2) (e) Ensure that the amount of the excess revenue is not included in determining the school district's ~~limits~~ ^{ceiling or limit} in the succeeding school year.

History: 1993 a. 16; 1995 a. 27 s. 9145 (1); 1997 a. 27.

(end ins)

HA



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1309/2
MJL&PG;jlg:jf

DOA:.....Pahnke – Secondary guaranteed valuation, special adjustment aids
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FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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MJL&PG;jlg:jf

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LRB-1309/2³
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*Redraft makes sense
See p. 3, line 7*

SOON

To editing 01/13

do not gen

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Under current law, if a school district exceeds its revenue limit without referendum approval, DPI must reduce the school district's state equalization aid payment by the excess revenue amount. DPI imposes the penalty in the same school year in which the school district raised the excess revenue. The withheld aid amount lapses to the state's general fund. If a school district's equalization aid is less than the penalty amount, DPI must reduce the school district's other state aid payments until the remaining excess revenue is covered. If the aid reduction is still insufficient to cover the excess revenues, DPI must order the school board to reduce the property tax levy by an amount equal to the remainder of the excess amount or refund the amount with interest, if taxes have already been collected. If the school board violates the order, any resident of the school district can seek an injunction. DPI does not include the excess revenue in the school district's base.

This bill imposes these same penalties on low-revenue school districts that exceed their revenue ceilings.

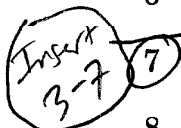
For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1

SECTION 1. 121.07 (7) (b) of the statutes is amended to read:

1 121.07 (7) (b) The “secondary guaranteed valuation per member” is an amount,
2 rounded to the next lower dollar, that, after subtraction of payments under ss.
3 121.09, ~~121.105~~, and 121.85 (6) (b) 2. and 3. and (c) ~~and 121.86~~, fully distributes an
4 amount equal to the amount remaining in the appropriation under s. 20.255 (2) (ac)
5 plus \$75,000,000 in the 1997–98 school year and \$100,000,000 in the 1998–99 school
6 year for payments under ss. 121.08 ~~and~~, 121.105, 121.85 (6) (a) and (g) ~~and 121.86~~.

 **SECTION 2.** 121.105 (2) (a) 3. of the statutes is amended to read:

8 121.105 (2) (a) 3. A school district eligible for aid under subd. 1. and 2. shall
9 receive the greater of the aid amounts under subd. 1. or 2. The additional aid shall
10 be paid from the appropriations under s. 20.255 (2) (ac) and (q).

SECTION 3. 121.905 (3) (a) 1. of the statutes is amended to read:

12 121.905 (3) (a) 1. Except as provided under subd. 2., calculate the sum of the
13 amount of aid received under ss. 121.08, 121.09 and 121.105 and subch. VI in the
14 previous school year, including adjustments made under s. 121.15 (4), and property
15 taxes levied for the previous school year, excluding funds described under s. 121.91
16 (4) (c), and the costs of the county children with disabilities education board program,
17 as defined in s. 121.135 (2) (a) 2., for pupils who were school district residents and
18 solely enrolled in a special education program provided by a county children with
19 disabilities education board in the previous school year.

20 **SECTION 4.** 121.905 (4) of the statutes is renumbered 121.905 (4) (a) and
21 amended to read:

22 121.905 (4) (a) A school district that is exempt from the revenue limits under
23 sub. (2) may not increase its base revenue per member to an amount that is greater
24 than its revenue ceiling ~~unless that~~.

1 **(b) 1.** A school district ~~follows~~ may increase its revenue ceiling by following the
2 procedures prescribed in s. 121.91 (3).

3 **SECTION 5.** 121.905 (4) (b) 2. of the statutes is created to read:

4 121.905 (4) (b) 2. The department shall, under s. 121.91 (4), adjust the revenue
5 ceiling otherwise applicable to a school district under this section as if the revenue
6 ceiling constituted a revenue limit under s. 121.91 (2m).

7 **SECTION 6.** 121.91 (3) (d) of the statutes is renumbered 121.91 (7) and amended
8 to read:

9 121.91 (7) If an excess revenue is approved under sub. (3) or allowed under this
10 ~~subsection sub. (4)~~ sub. (4) for a recurring purpose, the excess revenue shall be included in
11 the base for determining the limit for the next school year for purposes of this section.
12 If an excess revenue is approved under sub. (3) or allowed under this subsection sub.
13 (4) for a nonrecurring purpose, the excess revenue shall not be included in the base
14 for determining the limit for the next school year for purposes of this section.

15 **SECTION 7.** 121.92 (title) of the statutes is amended to read:

16 **121.92** (title) **Penalty for exceeding revenue ceiling or limit.**

17 **SECTION 8.** 121.92 (1) of the statutes is amended to read:

18 121.92 (1) In this section, "excess revenue" means the amount by which a school
19 district's revenue exceeds the ~~maximum allowed~~ its ceiling under s. 121.905 or its
20 limit under s. 121.91.

21 **SECTION 9.** 121.92 (2) (a) of the statutes is amended to read:

22 121.92 (2) (a) Deduct from the state aid payment to a school district under s.
23 121.08 in the school year in which the school district exceeded the revenue ceiling or
24 limit an amount equal to the excess revenue for the school district or the amount of
25 those aids, whichever is less.

Insert 3-7

LRR-1309/3ms

Section #. 121.105 (2) (a) 1. of the statutes is amended to read:

121.105 (2) (a) 1. If a school district would receive less than ~~85%~~ ^{an amount equal to 85% of the state aid that} of the state aid for the current school year than it received as state aid in the previous school year, its state aid for the current school year shall be increased to an amount equal to 85% of the state aid received in the previous school year.

History: 1985 a. 29, 251; 1987 a. 27; 1989 a. 31, 114, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1997 a. 27, 113.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1309/3
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4

DOA:.....Pahnke - Secondary guaranteed valuation, special adjustment aids
and school district revenue limits

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

1 do not gen
AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Current law provides special state aid adjustments for certain school districts that would receive less aid in the current school year than they received in the previous school year. More specifically, if a school district would receive less than 85% of the state aid for the current school year than it received as state aid in the previous school year, its state aid for the current school year is increased to an amount equal to 85% of the state aid received in the previous school year. If a school district would receive less in state aid in the current school year than an amount equal to the aid that it received in the previous school year minus \$1,000,000, its state aid for the current school year is increased to an amount equal to the state aid that it received in the previous school year minus \$1,000,000. If a school district is eligible for both of these special state aid adjustments, the school district's state aid is increased to an amount equal to 85% of the state aid that the school district received in the previous school year. A school district is entitled to receive a special state aid adjustment only if the additional aid does not result in a state aid payment greater than the school district's shared cost (the portion of a school district's costs that are aided by the state).

This bill provides that if a school district is eligible for both special state aid adjustments, the school district receives the greater adjustment, if the additional aid does not result in a state aid payment greater than the school district's shared cost.

Current law generally limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes. The department of public instruction (DPI) may adjust a school district's revenue limit upwards or downwards for a number of contingencies, including transfers of service responsibilities between a school district and another governmental unit and changes in a school district's boundaries. ~~In addition, a school district may exceed its revenue limit if the electors of the school district vote to do so at a special referendum. If the excess revenue approved by the electors is for a recurring purpose, DPI includes the excess revenue in the base for determining the school district's allowable revenue for the next school year. If the excess revenue approved by the electors is for a nonrecurring purpose, DPI does not include the excess revenue in the base.~~ Any school district with a base revenue per pupil for the previous school year that was less than a revenue ceiling of \$6,100 (low-revenue district) may increase its revenues up to the revenue ceiling. A low-revenue district is not subject to a revenue limit and its concomitant adjustments.

~~This bill directs DPI to add excess revenue allowed as an adjustment for a school district's revenue limit to the base for determining the school district's allowable revenue for the next school year if the excess revenue is for a recurring purpose. The bill also directs DPI to adjust the revenue ceiling of a low-revenue school district as if the revenue ceiling constituted a revenue limit.~~

Under current law, if a school district exceeds its revenue limit without referendum approval, DPI must reduce the school district's state equalization aid payment by the excess revenue amount. DPI imposes the penalty in the same school year in which the school district raised the excess revenue. The withheld aid amount lapses to the state's general fund. If a school district's equalization aid is less than the penalty amount, DPI must reduce the school district's other state aid payments until the remaining excess revenue is covered. If the aid reduction is still insufficient to cover the excess revenues, DPI must order the school board to reduce the property tax levy by an amount equal to the remainder of the excess amount or refund the amount with interest, if taxes have already been collected. If the school board violates the order, any resident of the school district can seek an injunction. DPI does not include the excess revenue in the school district's base.

This bill imposes these same penalties on low-revenue school districts that exceed their revenue ceilings.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1

SECTION 1. 121.07 (7) (b) of the statutes is amended to read:

1 121.07 (7) (b) The "secondary guaranteed valuation per member" is an amount,
2 rounded to the next lower dollar, that, after subtraction of payments under ss.
3 ~~121.09, 121.105, and~~ 121.85 (6) (b) 2. and 3. and (c) ~~and 121.86~~, fully distributes an
4 amount equal to the amount remaining in the appropriation under s. 20.255 (2) (ac)
5 plus \$75,000,000 in the 1997-98 school year and \$100,000,000 in the 1998-99 school
6 year for payments under ss. 121.08 ~~and~~, 121.105, 121.85 (6) (a) and (g) ~~and 121.86~~.

7 **SECTION 2.** 121.105 (2) (a) 1. of the statutes is amended to read:

8 121.105 (2) (a) 1. If a school district would receive less than ~~85%~~ of the state
9 ~~aid for the current school year~~ in state aid in the current year than an amount equal
10 to 85% of the state aid that it received as state aid in the previous school year, its state
11 aid for the current school year shall be increased to an amount equal to 85% of the
12 state aid received in the previous school year.

13 **SECTION 3.** 121.105 (2) (a) 3. of the statutes is amended to read:

14 121.105 (2) (a) 3. A school district eligible for aid under subd. 1. and 2. shall
15 receive the greater of the aid amounts under subd. 1. or 2. The additional aid shall
16 be paid from the appropriations under s. 20.255 (2) (ac) and (q).

17 **SECTION 4.** 121.905 (3) (a) 1. of the statutes is amended to read:

18 121.905 (3) (a) 1. Except as provided under subd. 2., calculate the sum of the
19 amount of ^{state} aid received ~~under ss. 121.08, 121.09, and 121.105~~ and subch. VI in the
20 previous school year, ~~including adjustments made under s. 121.15 (4)~~, and property
21 taxes levied for the previous school year, excluding funds described under s. 121.91
22 (4) (c), and the costs of the county children with disabilities education board program,
23 as defined in s. 121.135 (2) (a) 2., for pupils who were school district residents and
24 solely enrolled in a special education program provided by a county children with
25 disabilities education board in the previous school year.

3-16 →

1 SECTION 5. 121.905 (4) of the statutes is renumbered 121.905 (4) (a) and
2 amended to read:

3 121.905 (4) (a) A school district that is exempt from the revenue limits under
4 sub. (2) may not increase its base revenue per member to an amount that is greater
5 than its revenue ceiling unless that.

6 (b) 1. A school district follows may increase its revenue ceiling by following the
7 procedures prescribed in s. 121.91 (3).

8 SECTION 6. 121.905 (4) (b) 2. of the statutes is created to read:

9 121.905 (4) (b) 2. The department shall, under s. 121.91 (4), adjust the revenue
10 ceiling otherwise applicable to a school district under this section as if the revenue
11 ceiling constituted a revenue limit under s. 121.91 (2m).

12 SECTION 7. 121.91 (3) (d) of the statutes is renumbered 121.91 (7) and amended
13 to read:

14 121.91 (7) If an excess revenue is approved ~~under sub. (3) or allowed~~ ^{Exempt as provided in sub. (4) (f) 2, if} under this
15 subsection ~~sub. (3)~~ ^{(3) ✓} for a recurring purpose, ~~the excess revenue shall be included in~~ ^{or allowed under sub. (4) ✓}
16 the base for determining the limit for the next school year for purposes of this section.

17 If an excess revenue is approved ~~under sub. (3) or allowed~~ under this subsection ~~sub.~~
18 ~~(3)~~ ^{(3) ✓} for a nonrecurring purpose, the excess revenue shall not be included in the base
19 for determining the limit for the next school year for purposes of this section.

20 SECTION 8. 121.92 (title) of the statutes is amended to read:

21 121.92 (title) **Penalty for exceeding revenue ceiling or limit.**

22 SECTION 9. 121.92 (1) of the statutes is amended to read:

23 121.92 (1) In this section, "excess revenue" means the amount by which a school
24 district's revenue exceeds ~~the maximum allowed~~ its ceiling under s. 121.905 or its
25 limit under s. 121.91.

3-16

x
Section #. 121.90 (2) (intro.) of the statutes is amended to read:

121.90 (2) (intro.) "State aid" means aid under ss. 121.08, 121.09 and 121.105 and subch. VI, as calculated for the current school year on October 15 under s. 121.15 (4), except that "state aid" excludes all of the following:

History: 1993 a. 16; 1995 a. 27; 1997 a. 27, 113, 237, 286; s. 13.93 (2) (c).

and including adjustments
made under s. 121.15⁵ (4)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1309/4
MJL&PG;jlg:hmh

DOA:.....Pahnke – Secondary guaranteed valuation, special adjustment aids
and school district revenue limits

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Current law provides special state aid adjustments for certain school districts that would receive less aid in the current school year than they received in the previous school year. More specifically, if a school district would receive less than 85% of the state aid for the current school year than it received as state aid in the previous school year, its state aid for the current school year is increased to an amount equal to 85% of the state aid received in the previous school year. If a school district would receive less in state aid in the current school year than an amount equal to the aid that it received in the previous school year minus \$1,000,000, its state aid for the current school year is increased to an amount equal to the state aid that it received in the previous school year minus \$1,000,000. If a school district is eligible for both of these special state aid adjustments, the school district's state aid is increased to an amount equal to 85% of the state aid that the school district received in the previous school year. A school district is entitled to receive a special state aid adjustment only if the additional aid does not result in a state aid payment greater than the school district's shared cost (the portion of a school district's costs that are aided by the state).

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Under current law, if a school district exceeds its revenue limit without referendum approval, DPI must reduce the school district's state equalization aid payment by the excess revenue amount. DPI imposes the penalty in the same school year in which the school district raised the excess revenue. The withheld aid amount lapses to the state's general fund. If a school district's equalization aid is less than the penalty amount, DPI must reduce the school district's other state aid payments until the remaining excess revenue is covered. If the aid reduction is still insufficient to cover the excess revenues, DPI must order the school board to reduce the property tax levy by an amount equal to the remainder of the excess amount or refund the amount with interest, if taxes have already been collected. If the school board violates the order, any resident of the school district can seek an injunction. DPI does not include the excess revenue in the school district's base.

This bill imposes these same penalties on low-revenue school districts that exceed their revenue ceilings.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 121.07 (7) (b) of the statutes is amended to read:
- 2 121.07 (7) (b) The "secondary guaranteed valuation per member" is an amount,
- 3 rounded to the next lower dollar, that, after subtraction of payments under ss.
- 4 121.09, ~~121.105~~, and 121.85 (6) (b) 2. and 3. and (c) ~~and 121.86~~, fully distributes an
- 5 amount equal to the amount remaining in the appropriation under s. 20.255 (2) (ac)

1 plus \$75,000,000 in the 1997-98 school year and \$100,000,000 in the 1998-99 school
2 year for payments under ss. 121.08 and, 121.105, 121.85 (6) (a) and (g) and 121.86.

3 **SECTION 2.** 121.105 (2) (a) 1. of the statutes is amended to read:

4 121.105 (2) (a) 1. If a school district would receive less than ~~85% of the state~~
5 ~~aid for the current school year~~ in state aid in the current year than an amount equal
6 to 85% of the state aid that it received as state aid in the previous school year, its state
7 aid for the current school year shall be increased to an amount equal to 85% of the
8 state aid received in the previous school year.

9 **SECTION 3.** 121.105 (2) (a) 3. of the statutes is amended to read:

10 121.105 (2) (a) 3. A school district eligible for aid under subd. 1. and 2. shall
11 receive the greater of the aid amounts under subd. 1. or 2. The additional aid shall
12 be paid from the appropriations under s. 20.255 (2) (ac) and (q).

13 **SECTION 4.** 121.90 (2) (intro.) of the statutes is amended to read:

14 121.90 (2) (intro.) "State aid" means aid under ss. 121.08, 121.09 and 121.105
15 and subch. VI, as calculated for the current school year on October 15 under s. 121.15
16 (4) and including adjustments made under s. 121.15 (4), except that "state aid"
17 excludes all of the following:

18 **SECTION 5.** 121.905 (3) (a) 1. of the statutes is amended to read:

19 121.905 (3) (a) 1. Except as provided under subd. 2., calculate the sum of the
20 amount of state aid received ~~under ss. 121.08 and 121.105 and subch. VI~~ in the
21 previous school year and property taxes levied for the previous school year, excluding
22 funds described under s. 121.91 (4) (c), and the costs of the county children with
23 disabilities education board program, as defined in s. 121.135 (2) (a) 2., for pupils who
24 were school district residents and solely enrolled in a special education program

1 provided by a county children with disabilities education board in the previous school
2 year.

3 **SECTION 6.** 121.905 (4) of the statutes is renumbered 121.905 (4) (a) and
4 amended to read:

5 121.905 (4) (a) A school district that is exempt from the revenue limits under
6 sub. (2) may not increase its base revenue per member to an amount that is greater
7 than its revenue ceiling ~~unless that~~.

8 (b) 1. A school district follows may increase its revenue ceiling by following the
9 procedures prescribed in s. 121.91 (3).

10 **SECTION 7.** 121.905 (4) (b) 2. of the statutes is created to read:

11 121.905 (4) (b) 2. The department shall, under s. 121.91 (4), adjust the revenue
12 ceiling otherwise applicable to a school district under this section as if the revenue
13 ceiling constituted a revenue limit under s. 121.91 (2m).

14 **SECTION 8.** 121.91 (3) (d) of the statutes is renumbered 121.91 (7) and amended
15 to read:

16 121.91 (7) If Except as provided in sub. (4) (f) 2., if an excess revenue is
17 approved under this subsection sub. (3) for a recurring purpose or allowed under sub.
18 (4), the excess revenue shall be included in the base for determining the limit for the
19 next school year for purposes of this section. If an excess revenue is approved under
20 this subsection sub. (3) for a nonrecurring purpose, the excess revenue shall not be
21 included in the base for determining the limit for the next school year for purposes
22 of this section.

23 **SECTION 9.** 121.92 (title) of the statutes is amended to read:

24 **121.92 (title) Penalty for exceeding revenue ceiling or limit.**

25 **SECTION 10.** 121.92 (1) of the statutes is amended to read:

1 121.92 (1) In this section, “excess revenue” means the amount by which a school
2 district’s revenue exceeds ~~the maximum allowed~~ its ceiling under s. 121.905 or its
3 limit under s. 121.91.

4 **SECTION 11.** 121.92 (2) (a) of the statutes is amended to read:

5 121.92 (2) (a) Deduct from the state aid payment to a school district under s.
6 121.08 in the school year in which the school district exceeded the revenue ceiling or
7 limit an amount equal to the excess revenue for the school district or the amount of
8 those aids, whichever is less.

9 **SECTION 12.** 121.92 (2) (b) of the statutes is amended to read:

10 121.92 (2) (b) If the amount of the deduction under par. (a) is insufficient to
11 cover the excess revenue, deduct from the other state aid payments to the school
12 district in the school year in which the school district exceeded the revenue ceiling
13 or limit an amount equal to the remaining excess revenue or the amount of those
14 payments, whichever is less.

15 **SECTION 13.** 121.92 (2) (e) of the statutes is amended to read:

16 121.92 (2) (e) Ensure that the amount of the excess revenue is not included in
17 determining the school district’s ~~limits~~ ceiling or limit in the succeeding school year.

18 **SECTION 9339. Initial applicability; public instruction.**

19 (1) DISTRIBUTION OF SCHOOL AID AND REVENUE LIMITS. The treatment of sections
20 121.07 (7) (b), 121.105 (2) (a) 1. and 3., 121.90 (2) (intro.), 121.905 (3) (a) 1., 121.91
21 (3) (d) and 121.92 (title), (1) and (2) (a), (b) and (e) of the statutes, the renumbering
22 and amendment of section 121.905 (4) of the statutes and the creation of section
23 121.905 (4) (b) 2. of the statutes first apply to the distribution of school aid in, and
24 to the revenue limits for, the 1999–2000 school year.

25 (END)